

AMENDED IN SENATE APRIL 17, 2006

**SENATE BILL**

**No. 1242**

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**Introduced by Senator Lowenthal**

February 7, 2006

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An act to amend ~~Section 10620~~ of Sections 10534, 10537, and 10541 of, to add Sections 10537.2, 10537.4, 10537.6, and 10538 to, and to repeal and amend Section 10540 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1242, as amended, Lowenthal. ~~Urban water suppliers: urban water management plans.~~ *Integrated Regional Water Management Planning Act of 2002.*

*The existing Integrated Regional Water Management Planning Act of 2002 authorizes a regional water management group, as defined, to prepare and adopt a regional plan, in accordance with certain procedures, that addresses programs, projects, reports, or studies relating to water supply, water quality, flood protection, or related matters, over which any local public agency, as defined, that is a participant in that group has authority to undertake.*

*This bill would revise the definition of qualified projects or programs under the act to add projects or programs to improve storm water management, reduce water pollution or pollutant loads, or improve urban or agricultural water use efficiency. The bill would authorize a water corporation, as defined, to participate in a regional water management group and would add requirements for a local public agency to participate in developing an integrated regional water management plan. The bill would revise certain notice requirements relative to the intent to prepare and preparation of a*

*regional plan. The bill would require the Department of Water Resources, by December 31, 2007, to revise existing grant funding criteria, or develop new grant funding criteria, to implement the changes that would be made by the bill.*

~~Existing law requires every urban water supplier to prepare and adopt an urban water management plan, as prescribed, including a requirement that the urban water supplier coordinate the preparation of the plan with other appropriate agencies, to the extent practicable. Existing law authorizes an urban water supplier to satisfy that plan requirement by participation in areawide, regional, watershed, or basinwide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of conservation and efficient water use.~~

~~This bill would authorize an urban water supplier to satisfy the urban water management plan requirement by adopting an areawide, regional, watershed, or basinwide urban water management plan prepared and adopted in accordance with existing law for an area, region, watershed, or basin that includes the service area of that urban water supplier, including, but not limited to, a plan prepared and adopted by a metropolitan water district, if the governing body of the urban water supplier determines that the plan will reduce preparation costs and contribute to the achievement of conservation and efficient water use. The bill would require the urban water supplier to coordinate the preparation of a plan or the adoption of its plan, as described above.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. Section 10534 of the Water Code is amended to*
- 2     *read:*
- 3     10534. "Qualified projects or programs" means regional
- 4     projects or programs that ~~improve source water quality, improve~~
- 5     drinking water quality, provide flood protection, improve levee
- 6     stability, ~~provide water supply reliability, increase agricultural,~~
- 7     domestic, or environmental water supply, improve the quality or
- 8     quantity of groundwater, protect watersheds for the purposes of
- 9     improving water quality or water quantity, or undertake
- 10    environmental mitigation, restoration, or enhancement. *maximize*

1 *the quality and quantity of water available to meet the state's*  
2 *agricultural, domestic, industrial, and environmental needs that*  
3 *do one or more of the following:*

- 4 (a) *Improve source water quality.*
- 5 (b) *Improve drinking water quality.*
- 6 (c) *Provide flood protection.*
- 7 (d) *Improve levee stability.*
- 8 (e) *Provide water supply reliability.*
- 9 (f) *Increase agricultural, domestic, or environmental water*  
10 *supply.*
- 11 (g) *Improve the quality or quantity of groundwater.*
- 12 (h) *Protect watersheds for the purposes of improving water*  
13 *quality or water quantity.*
- 14 (i) *Undertake environmental mitigation, restoration, or*  
15 *enhancement.*
- 16 (j) *Improve storm water management.*
- 17 (k) *Reduce water pollution or pollutant loads.*
- 18 (l) *Improve urban or agricultural water use efficiency.*

19 *SEC. 2. Section 10537 of the Water Code is amended to read:*

20 10537. "Regional water management group" means a group  
21 in which three or more local public agencies *or water*  
22 *corporations*, at least two of which have statutory authority over  
23 ~~water supply~~ one of which is a water supply agency or water  
24 corporation, participate by means of a joint powers agreement,  
25 memorandum of understanding, or other written agreement, as  
26 appropriate, that is approved by the governing bodies of ~~those~~ the  
27 participating local public agencies.

28 *SEC. 3. Section 10537.2 is added to the Water Code, to read:*

29 10537.2. "Water corporation" means a "water corporation"  
30 as defined in Section 241 of the Public Utilities Code.

31 *SEC. 4. Section 10537.4 is added to the Water Code, to read:*

32 10537.4. "Water service" means the sale, lease, rental,  
33 furnishing, or delivery of water for beneficial use, and includes,  
34 but is not limited to, contracting for that sale, lease, rental,  
35 furnishing, or delivery of water, except bottled water.

36 *SEC. 5. Section 10537.6 is added to the Water Code, to read:*

37 10537.6. "Water supply agency" means a public agency that  
38 provides water service to end users.

39 *SEC. 6. Section 10538 is added to the Water Code, to read:*

1     10538. *To participate in developing an integrated regional*  
2 *water management plan, a local public agency shall meet the*  
3 *following requirements:*

4     (a) *Have statutory authority for local water service, storm*  
5 *water management, waste water treatment, or water quality and*  
6 *treatment.*

7     (b) *Local public agencies that are urban water suppliers must*  
8 *be in compliance with the Urban Water Management Planning*  
9 *Act (Part 2.6 (commencing with Section 10610) of Division 6).*

10    (c) *Local public agencies that are agricultural water suppliers*  
11 *must be in compliance with the Agricultural Water Management*  
12 *Planning Act (Part 2.8 (commencing with Section 10800) of*  
13 *Division 6).*

14    SEC. 7. *Section 10540 of the Water Code, as added by*  
15 *Section 1 of Chapter 767 of the Statutes of 2002, is repealed.*

16    10540. (a) ~~A regional water management group may prepare~~  
17 ~~and adopt a regional plan in accordance with this part.~~

18    ~~(b) The plan may address qualified programs or projects or~~  
19 ~~qualified reports or studies over which any local public agency~~  
20 ~~that is a participant in that group has authority to undertake,~~  
21 ~~including any of those matters described in subdivision (c).~~

22    ~~(c) A regional water management group may address any of~~  
23 ~~the following matters in a regional plan:~~

24    ~~(1) Groundwater management planning pursuant to Part 2.75~~  
25 ~~(commencing with Section 10750).~~

26    ~~(2) Any activity identified in Section 10753.7.~~

27    ~~(3) Urban water management planning pursuant to Part 2.6~~  
28 ~~(commencing with Section 10610).~~

29    ~~(4) The preparation of a water supply assessment required~~  
30 ~~pursuant to Part 2.10 (commencing with Section 10910).~~

31    ~~(5) Agricultural water management planning pursuant to Part~~  
32 ~~2.8 (commencing with Section 10800).~~

33    ~~(6) The planning, construction, or modification of a flood~~  
34 ~~management project that meets the requirements for funding~~  
35 ~~under Chapter 1 (commencing with Section 12570), Chapter 3~~  
36 ~~(commencing with Section 12800), or Chapter 4 (commencing~~  
37 ~~with Section 12850), of Part 6.~~

38    ~~(7) The planning, construction, or modification of a flood~~  
39 ~~management project that meets the requirements for funding~~  
40 ~~under Chapter 2 (commencing with Section 12310) of Part 4.8.~~

1     ~~(8) The planning, construction, or modification of a flood~~  
2     ~~management project approved pursuant to Chapter 2~~  
3     ~~(commencing with Section 12639) of Part 6.~~

4     ~~(9) The planning, construction, or modification of a levee~~  
5     ~~maintenance project that meets the requirements for funding~~  
6     ~~under Part 9 (commencing with Section 12980) of this division,~~  
7     ~~or Article 4 (commencing with Section 78540) of Chapter 4 of~~  
8     ~~Division 24.~~

9     ~~(10) The planning, construction, or modification of a water~~  
10    ~~recycling project that meets the requirements for funding under~~  
11    ~~Article 4 (commencing with Section 79135) of Chapter 7 of~~  
12    ~~Division 26.~~

13    ~~(11) The planning, construction, or modification of a publicly~~  
14    ~~owned treatment works that meets the requirements of paragraph~~  
15    ~~(1) of subdivision (a) of Section 13480.~~

16    ~~(12) The planning, construction, or modification of a domestic~~  
17    ~~water supply facility to meet safe drinking water standards in~~  
18    ~~accordance with the Safe Drinking Water State Revolving Loan~~  
19    ~~Fund Law of 1997 (Chapter 4.5 (commencing with Section~~  
20    ~~116760) of Part 12 of Division 104 of the Health and Safety~~  
21    ~~Code).~~

22    ~~(13) The planning, construction, or modification of a drainage~~  
23    ~~water management unit, as that term is defined in subdivision (a)~~  
24    ~~of Section 78640.~~

25    ~~(14) A water recycling project that meets the requirements for~~  
26    ~~funding under Article 4 (commencing with Section 79135) of~~  
27    ~~Chapter 7 of Division 26.~~

28    ~~(15) The implementation of a water conservation program that~~  
29    ~~meets the definition of a voluntary cost-effective capital outlay~~  
30    ~~water conservation program pursuant to Section 78670.~~

31    ~~(16) The planning, construction, or modification of a program~~  
32    ~~or project that carries out any of the activities described in~~  
33    ~~subdivision (c) of Section 79080 or reduces the impacts of~~  
34    ~~nonnative plant species on water quality, water supply, or~~  
35    ~~ecosystem health.~~

36    ~~(17) The planning, construction, or modification of a program~~  
37    ~~or project that desalts brackish or saline waters for use as an~~  
38    ~~agricultural, domestic, or municipal water supply.~~

1     *SEC. 8. Section 10540 of the Water Code, as added by*  
2     *Section 1 of Chapter 949 of the Statutes of 2002, is amended to*  
3     *read:*

4     10540. (a) A regional water management group may prepare  
5     and adopt a regional plan in accordance with this part.

6     (b) The plan may address qualified programs or projects or  
7     qualified reports or studies over which any local public agency *or*  
8     *water corporation* that is a participant in that group has authority  
9     to undertake, including any of those matters described in  
10    subdivision (c).

11    (c) A regional water management group may address, among  
12    other things, any of the following matters in a regional plan:

13    (1) Groundwater management planning pursuant to Part 2.75  
14    (commencing with Section 10750) or other specific authority.

15    (2) Any activity identified in Section 10753.7.

16    (3) Urban water management planning pursuant to Part 2.6  
17    (commencing with Section 10610).

18    (4) The preparation of a water supply assessment required  
19    pursuant to Part 2.10 (commencing with Section 10910).

20    (5) Agricultural water management planning pursuant to Part  
21    2.8 (commencing with Section 10800) or Part 2.9 (commencing  
22    with Section 10900).

23    (6) The planning, construction, or modification of a flood  
24    management project that meets the requirements for funding  
25    under Chapter 1 (commencing with Section 12570), Chapter 3  
26    (commencing with Section 12800), or Chapter 4 (commencing  
27    with Section 12850), of Part 6.

28    (7) The planning, construction, or modification of a flood  
29    management project that meets the requirements for funding  
30    under Chapter 2 (commencing with Section 12310) of Part 4.8.

31    (8) The planning, construction, or modification of a flood  
32    management project approved pursuant to Chapter 2  
33    (commencing with Section 12639) of Part 6.

34    (9) The planning, construction, or modification of a levee  
35    maintenance project that meets the requirements for funding  
36    under Part 9 (commencing with Section 12980) of this division,  
37    or Article 4 (commencing with Section 78540) of Chapter 4 of  
38    Division 24.

39    (10) The planning, construction, or modification of a water  
40    recycling project that meets the requirements for funding under

Article 4 (commencing with Section 79135) of Chapter 7 of Division 26.

(11) The planning, construction, or modification of a publicly owned treatment works that meets the requirements of paragraph (1) of subdivision (a) of Section 13480.

(12) The planning, construction, or modification of a domestic water supply facility to meet safe drinking water standards in accordance with the Safe Drinking Water State Revolving Loan Fund Law of 1997 (Chapter 4.5 (commencing with Section 116760) of Part 12 of Division 104 of the Health and Safety Code).

(13) The planning, construction, or modification of a drainage water management unit, as that term is defined in subdivision (a) of Section 78640.

(14) A water recycling project that meets the requirements for funding under Article 4 (commencing with Section 79135) of Chapter 7 of Division 26.

(15) The implementation of a water conservation program that meets the definition of a voluntary cost effective capital outlay water conservation program pursuant to Section 78670.

(16) The planning, construction, or modification of a program or project that carries out any of the activities described in subdivision (c) of Section 79080 or reduces the impacts of nonnative plant species on water quality, water supply, or ecosystem health.

(17) The planning, construction, or modification of a program or project that desalts brackish or saline waters for use as an agricultural, domestic, or municipal water supply.

(18) The planning, construction, or modification of fish screens, or other fish passage improvements.

*(19) The planning, construction, or modification of aquifer storage and recovery.*

*(20) The planning, construction, or modification of a conjunctive use project, as defined in Section 79171.*

~~(d) This section shall become operative only if Senate Bill 1672 of the 2001-02 Regular Session is chaptered and becomes effective on or before January 1, 2003, and the act that adds this section is chaptered last, in which case this section shall prevail over Section 10540, as added by Senate Bill 1672.~~

*SEC. 9. Section 10541 of the Water Code is amended to read:*

1 10541. (a) (1) A regional water management group shall  
2 send notice to, and invite to be a participant in the regional  
3 water management group, all of the following:

4 (A) Every water supply agency with a current urban water  
5 management plan, adopted pursuant to Part 2.6 (commencing  
6 with Section 10610) or a current agricultural water management  
7 plan adopted pursuant to Part 2.8 (commencing with Section  
8 10800), of Division 6.

9 (B) Every storm water management agency.

10 (C) Every wastewater treatment agency.

11 (2) The notice and invitation to participate shall be given not  
12 less than 60 days prior to publishing a notice of intention to  
13 prepare a regional plan in accordance with Section 6066 of the  
14 Government Code.

15 (b) A regional water management group shall publish a notice  
16 of intention to prepare a regional plan in accordance with Section  
17 6066 of the Government Code if ~~three or more~~ a majority of the  
18 local public agency participants in the group propose to prepare  
19 the regional plan.

20 (c) Upon publication of the notice of intention to prepare a  
21 regional plan in accordance with Section 6066 of the  
22 Government Code, any additional participant in the regional  
23 water management group shall be approved by a majority of the  
24 membership of the regional water management group.

25 ~~(b)~~

26 (d) Not later than 15 days after the last date of the publication  
27 of the notice ~~pursuant to subdivision (a)~~ of intention to prepare a  
28 regional plan in accordance with Section 6066 of the  
29 Government Code, the regional water management group shall  
30 hold a public hearing as to whether or not to prepare a regional  
31 plan. After the hearing, if ~~three or more participants in the a~~  
32 ~~majority of the membership of the regional water management~~  
33 ~~group determine~~ determines to prepare the regional plan, the  
34 group shall prepare the plan not later than ~~three~~ two years after  
35 the date of the hearing.

36 ~~(e)~~

37 (e) Upon the completion of the regional plan, the regional  
38 water management group shall publish a notice of intention to  
39 adopt the regional plan in accordance with Section 6066 of the  
40 Government Code if ~~three or more participants in the a majority~~

1 of the membership of the regional water management group  
2 ~~propose~~ proposes to adopt the regional plan.

3 ~~(d)~~

4 (f) Not later than 15 days after the last date of the publication  
5 of the notice pursuant to subdivision-(e) (e), the regional water  
6 management group shall hold a public hearing as to whether or  
7 not to adopt the regional plan. After the hearing, if ~~three or more~~  
8 ~~participants in the group determine to adopt the regional plan,~~  
9 ~~including at least two of which that have statutory authority over~~  
10 ~~water supply a majority of the membership of the regional water~~  
11 ~~management group determines to adopt the regional plan,~~  
12 ~~including at least one water supply agency,~~ the group shall adopt  
13 the plan not later than 30 days after the date of the hearing.

14 SEC. 10. The Department of Water Resources shall, by  
15 December 31, 2007, revise existing grant funding criteria, or  
16 develop new grant funding criteria, to implement the changes  
17 made to Part 2.2 (commencing with Section 10530) of Division 6  
18 of the Water Code.

19 SECTION 1. ~~Section 10620 of the Water Code is amended to~~  
20 ~~read:~~

21 10620. ~~(a) Every urban water supplier shall prepare and~~  
22 ~~adopt an urban water management plan in the manner set forth in~~  
23 ~~Article 3 (commencing with Section 10640):~~

24 ~~(b) Every person that becomes an urban water supplier shall~~  
25 ~~adopt an urban water management plan within one year after it~~  
26 ~~has become an urban water supplier.~~

27 ~~(c) An urban water supplier indirectly providing water shall~~  
28 ~~not include planning elements in its water management plan as~~  
29 ~~provided in Article 2 (commencing with Section 10630) that~~  
30 ~~would be applicable to urban water suppliers or public agencies~~  
31 ~~directly providing water, or to their customers, without the~~  
32 ~~consent of those suppliers or public agencies.~~

33 ~~(d) An urban water supplier may satisfy the requirements of~~  
34 ~~this part by adopting, by resolution of its governing body,~~  
35 ~~adopted by majority vote, an areawide, regional, watershed, or~~  
36 ~~basinwide urban water management plan prepared and adopted in~~  
37 ~~accordance with this part for an area, region, watershed, or basin~~  
38 ~~that includes the service area of that urban water supplier,~~  
39 ~~including, but not limited to, a plan prepared and adopted by a~~  
40 ~~metropolitan water district, if the governing body determines that~~

1 the plan will reduce preparation costs and contribute to the  
2 achievement of conservation and efficient water use.

3 (e) The urban water supplier may prepare the plan with its  
4 own staff, by contract, or in cooperation with other governmental  
5 agencies.

6 (f) An urban water supplier shall describe in the plan water  
7 management tools and options used by that entity that will  
8 maximize resources and minimize the need to import water from  
9 other regions.

10 (g) Each urban water supplier shall coordinate the preparation  
11 of its plan or its adoption of a plan with other appropriate  
12 agencies in the area, including other water suppliers that share a  
13 common source, water management agencies, and relevant public  
14 agencies, to the extent practicable.